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ABSTRACT

To test the differences in effect of postsecondary vocational training offered by public schools and by proprietary schools, a study based on a sample of 8,8000 students and graduates in the accounting, programing, electronic technician training, dental assisting, secretarial, and cosmetology occupations was designed. Even though vocational students are generally the least advantaged students in postsecondary education, the study determined that proprietary students were the least advantaged of these. Since proprietary schools offer narrowly-targeted, no-frills training in short, intensive, but flexible programs, they are frequently more attractive than comparable programs in the public schools. The study concluded that students from either type of program were liable to have their employment aspirations frustrated unless they chose to work at the lower levels of the occupational hierarchy. Hence many schools are not living up to their explicit or implicit promises of upward mobility through self-help. Recommendations for protecting vocational education consumers include: access to reliable information on vocational programs, government standards regarding program effectiveness, truth-in-advertising requirements, audits by government-appointed agencies, equal pay for equal work for women and minorities, coordinated experimentation on ways to best use all occupational training resources, and self-evaluation of program objectives. (JR)

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PROTECTING THE VOC ED CONSUMER

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Across the country, state legislatures are leveling off the proportion of state tax revenues going to higher education and federal aid is shifting from schools to students. College-going rates have dropped, and with the birthrates at an all-time low, the long-term prospects for schools and colleges look no better. These realities, coupled with the recession that is upon us, promise that:

- Institutions will scramble even more for the shrinking resources. Institutions' claims about their value to students and society will escalate and competition between public and private schools will grow stronger.

- Legislatures and other policymaking (and budgetmaking) bodies will look for effective programs. They will also search for programs that can do the job with the least resources.

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- The demand for occupational training will continue to increase. Particularly in recessionary times, many people grasp at straws--and vocational training is a tempting straw, especially when there is an implied promise of employment at the end of the schooling.

The public commitment to vocational education is huge. As of 1970, over one million students were in public postsecondary programs. Last year the federal government spent almost one half billion dollars on occupational training. On the average, the states multiply that expenditure by five, so the total public investment in vocational training runs around $2.5 billion per year.

This is only part of the story. Proprietary schools (or schools incorporated as profitmaking enterprises) are equally big business. At last count, about 10,000 proprietary vocational schools enrolled over three million students annually and produced gross annual revenues of at least $2.5 billion, on which they paid substantial personal and corporate taxes. The 10,000 schools are made up of about one-third "beauty" or cosmetology schools, one-third trade and technical schools, and one-third business plus the correspondence schools. Although correspondence schools represent less than 1,000 of the schools, they enroll two-thirds of the students and produce over one half of the industry's income. Proprietary schools have been

kept at arm's length by traditional educators, apparently because they are primarily interested in the bottom line of the income statement. Nevertheless, the proprietaries have a foot in the door. They are now eligible to participate in a variety of federal student-aid programs. The Higner Education Act of 1972 also specified their inclusion on the "1202 Commissions," and various laws provide for subcontracting between public and proprietary schools.

Despite the large commitment to vocational education in this country, we know incredibly little about what differences either kind of school makes in peoples' lives. Most studies of junior and community colleges never raise that essential question--let alone answer it--and because proprietaries were just "discovered," research on them is almost nonexistent.

Because of the paucity of information on the effectiveness of postsecondary vocational training, and because of the importance of the issue, the National Institute of Education awarded us a grant to answer some fundamental questions about the effectiveness of vocational training. We designed the study to see if there were systematic differences in the kinds of students that went to public or proprietary schools (excluding correspondence schools). More important, we wanted to know if one group was more successful in the labor market than the other. We did not intend to generalize to all schools in the country. Rather

we constructed the sample to see if any differences held across diverse kinds of public and proprietary schools, geographic regions, and occupations in a random sample of 50 schools in the Standard Metropolitan Statistical Areas of San Francisco, Chicago, and Boston, and Miami that covered six occupations: accounting, programming, electronic technician training, dental assisting, secretarial, and cosmetology. From these schools we drew samples of 4,800 students and graduates.

Generally, students who attend both public and proprietary vocational schools are the least-advantaged students in the post-secondary "system." Yet our study showed a still further distinction: proprietary students are the least advantages of the least advantaged. Proprietary students were more likely high school dropouts or graduates of the low-status general or vocational programs. Also, proprietary students were more likely from an ethnic minority group and their verbal skills lagged behind their public school counterparts. Interestingly, we found no differences in motivation between the public and proprietary students, which dispels the old myth that proprietary students are more highly motivated.

But why, if public schools were designed to serve the least-advantaged students, weren't they reaching them? It seemed

like a paradox--to find the least-advantaged students paying sti.' fees for training they could have gotten nearly free nearby.

The answer, we think, lies in the differences between the schools. Proprietary schools could be characterized as "single-purpose" schools that provide training for specific occupations. On the other hand, public community colleges provide a wide variety of programs for many different kinds of people. Proprietary programs are not only narrowly targeted, they are about half as long as public programs on the average, because they do not include general education courses like history and English, and because they are more intensive. On the average, proprietary students spend about twice as much time in the classroom as public students. Also, proprietary programs are more flexible--they start more times each year and classes are more often scheduled at odd hours.

Proprietary schools are frequently small and operate without frills. In our study, the average proprietary school enrollment was 290 compared with the enormous average public school size of 7,800. Finally, proprietary teachers were paid on the average $6,800 per year--about 65 percent of what public teachers earn. Proprietary teachers also worked longer hours than their public counterparts. They spend an average of 27 hours each week in class compared with

public teachers' 18 hours in class. So, when we compute instructional costs, the proprietary school costs are 36 percent less than public school costs. Proprietary schools, then, driven by the profit motive, offer narrowly-targeted, no-frills training in short, intensive, but flexible courses. To survive in the face of competition from the public schools, they actively, and sometimes, deceptively, advertise their programs. Many students they areach are already marked as academic failures and they probably feel more comfortable in a "noncollegiate" setting.

Through the good work of the University of Chicago's National Opinion Research Center (NORC), we were able to reach 85 percent of all graduates in the six occupational programs from the 1970-71, 1972-73 school years. NORC's personal and telephone interviews with each of the 2,270 graduates from our selected private and public schools revealed that there were little or no differences between the occupational success of public and proprietary graduates. However, we did find that:

- Only two out of ten graduates from both public and proprietary schools who trained for professional or technical-level jobs ever got them. Most became clerks or took low-paying, unrelated jobs.

- Almost eight out of ten public and proprietary graduates from the lower-level clerical or service worker programs got the jobs they trained for, but, with the exception of secretaries, barely earned the federal minimum wage.

- Neither kind of school fully compensated for less-advantaged students' backgrounds. Women always earned less than men, and in all but one case, ethnic minorities earned less than whites in the same jobs.

- Proprietary graduates were generally less satisfied with their training than their public counterparts, apparently because proprietary graduates paid 20 times more for their training. Public school graduates' out-of-pocket costs were much less because their schooling was largely subsidized by taxes.

From our data, we conclude that this latest evolution in postsecondary education that only has recently been extended to the least advantaged population in the system maintains class and income inequalities more than overcomes them. Consider:

- 45 percent of our sample clearly expressed the desire to achieve a professional or technical-level job by

enrolling for training as accounts, programmers, or electronic technicians, but only 16 percent reached that goal.

- Only 19 percent of the sample wanted to become clerical workers but twice that many, 38 percent of the sample, got clerical jobs.

- At the lowest level of the occupational hierarchy in our selected occupations, 37 percent wanted employment as service workers, and 33 percent found that employment after training.

As we move down in the occupational hierarchy, the fit between training and employment improves. A person's background appears to operate indirectly on his career through the kind of schooling he or she chooses. Those with the most resources choose four-year universities and get higher-status jobs. Those with the least resources choose two-year or shorter occupational programs in public or proprietary schools and get low-status jobs.

We found no evidence that training offered by these public and proprietary schools necessarily lacked quality. We think these graduates fared poorly in the labor market because access to higher-

paying, higher-status occupations is determined more by years of schooling than by technical ability. Yet, those longer (four year) programs are generally available only to those who are relatively advantaged already.

We do not know what would have happened to vocational graduates if they had had no training, but these data show clearly that many schools are not living up to their explicit or implicit promise of upward mobility through self help. These findings do not apply to every school in the country. Some public and proprietary schools undoubtedly do deliver what they promise--and others do not. But because the findings, from a carefully designed sample, were so consistently negative, the subject warrants immediate attention from responsible state and federal legislators, educational authorities, and parents and prospective students.

We realize that getting an education, whether occupational or academic, is a risky business. Few of us end up just where we thought we were going when we started out. But consumers of post-secondary vocational training deserve special attention because they are generally the least advantaged and most vulnerable students in the system. To them, a commitment of time and money usually represents

a once-in-a-lifetime effort to break out of their place at the low end of the economic ladder. History and common sense tell us we cannot protect all people from making bad choices. We can, however, make sure that people have at least minimal information when they make decisions. The following recommendations, offered in outline form, address the question of how to get important facts to potential consumers of vocational education. We are working with a variety of people to refine them so that they will, hopefully, have an impact on forthcoming federal and state legislation. We welcome all constructive criticism and suggestions.

Recommendation #1. The federal and state governments should take steps to insure that potential students have access to reliable information on a school's educational programs. That information should include specific employment objectives of the programs and a detailed description of how well the programs have met those objectives in the past. Regulations should apply to private (nonprofit and proprietary) and public schools.

Our study shows that public and proprietary schools were not effective in placing graduates in technical or professional-level jobs. The fit between training and placement was better further down in the occupational hierarchy, but, even there, the graduates' earnings were so low we wonder if they would have chosen those programs knowing the probable salary at the other end.

Schools must provide information that explains exactly what kind of ajob a program is training for. If most computer programming graduates get computer operating and keypunch jobs, prospective students have a right to know. Potential students also should be able to find out attrition and placement rates and earnings of former students before making a decision.

The Federal Trade Commission has proposed a regulation that would require proprietary schools making claims about employment or earnings resulting from their training to substantiate those claims with placement and salary information from its graduates. The proposed regulation moves in the right direction, but because of the Commission's statutory limitations, the regulation covers only profitmaking schools. We feel that singling out proprietary schools for regulation would unfairly discriminate against them.

Recommendation #2. The federal and state governments should consider developing standards for vocational program effectiveness. Certification would be based on the schools' ability to place graduates in jobs for which they trained.

Product standardization and certification is one of the most common forms of regulation. Although these standards usually apply to safety or quality, they could also describe how well schools placed graduates in jobs for which they trained.

Recommendation #3. The federal government, states, and local authorities should insure that all schools, public and private, adhere to Truth-in-Advertising requirements.

Any school that advertises occupational training, even if only in a catalogue, should be required to substantiate their claims about labor market conditions and employment opportunities; and the burden of proof for substantiating claims should rest with the school.

Truth-in-Advertising requirements should pay particular attention to the definition of occupational objectives and explain them to students. A bookkeeper is not an accountant; but many words that inaccurately describe jobs are used almost interchangeably.

Recommendation #4. Federal and state governments should invest appropriate agencies with the power to audit public and private schools to insure that information outlined in Recommendation #1 is given to prospective students, and that the information is accurate. State governments should also audit public and private school claims about the value of training offered.

Currently, limited authority for regulating vocational post-secondary schools lies with voluntary accreditation commissions, the Federal Trade Commission, the U.S. Office of Education, the Veteran's Administration, and a host of offices within state departments of education. New legislation could expand the Federal Trade Commission's

authority, but actual enforcement should rest within each state where the job is small enough to be done effectively and local citizens can maintain control within broad federal guidelines.

Authority for auditing and enforcement should be placed in state consumer affairs bureaus or other agencies already charged with enforcement and not within departments of education. States might also charge "1202" commissions or newly-formed coordinating councils with the auditing and enforcement.

Recommendation #5. The federal, state, and local governments, and individual schools, should move to insure that graduates of occupational programs receive equal pay for equal work.

In all but one case, ethnic minorities and women earned less than whites and men in similar jobs. Schools and employers have an ethical and moral obligation to work toward equal pay, but they may also be legally culpable when they actively engage in job placement and referral activities that are discriminatory. Schools should know they may be open for class-action suits for possible violations of Section 6 (D) of the Equal Pay Act of 1963 contained within the Fair Labor Standards Act of 1938, Title VII of the Civil Rights Act of 1972, and the 14th Amendment. We recommend that federal and state governments take steps to see that graduates are protected according to these laws.

We realize that if schools are forced to divulge information about placement rates and earnings of graduates, some would seek out only students that have the best chance of finding better jobs (white males) which would put women and ethnic minorities at a further disadvantage. To avert this possibility, the federal government should consider incentive plans that would allow cash payments to schools demonstrating they have equalized salaries between men and women, and between whites and ethnic minorities.

Recommendation #6. Federal, state, and local governments should encourage experimentation on ways to best use all institutional resources for postsecondary occupational training.

There is little coordination among the 10,000 proprietary schools, more than 2,000 public community college and technical schools, and many private nonprofit schools that all offer occupational training. Rarely do they meet except when competing for the same shrinking resources.

We recommend that each level of government try to answer the question--which kind of school does which jobs best?--with the aim at finding out how to use each kind of school most effectively. Public schools might be most effective with longer programs (although most could be shortened) that require a large capital investment. Proprietary

schools might do better with low-capital, short-term programs with fast turnovers that yield a quick return on investment.

Some public schools have already explored cooperating with proprietary schools through subcontracting. The public school offers general education and retains the ultimate right of student certification, but subcontracts with local proprietary schools for skill training.

Recommendation #7. Public and proprietary schools should evaluate the objectives of their own programs and determine how well they are meeting them.

This recommendation, which has no teeth in it, is based on the assumption that schools would like to do a better job of training students for employment than they now do. Employers do need trained employees for jobs, and schools are the logical place for some kinds of training. With better planning and coordination, more people could be satisfied all around.

Each school should clearly define the employment objectives of each of its occupational programs and then ask these basic questions:

- Are the programs' goals realistic?
- Is there a job market for graduates?

- Are graduates getting a fair return on their investment of time and money?

Only after thorough self-analysis should authorities in public and private schools say with conviction that there is a value added by the training offered. If graduates could get the same jobs without the training, schools should revamp their offerings.